



February 17, 2012

FILED/ACCEPTED

VIA COURIER

FEB 17 2012

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Federal Communications Commission  
Office of the Secretary

RE: WC Docket No. 08-71 and CC Docket No. 96-45, Petition for Waiver of  
Hargray Telephone Company (Study Area Code Number 240523) and  
Bluffton Telephone Company (Study Area Code Number 240512)

Attention: Wireline Competition Bureau

Dear Ms. Dortch:

Pursuant to Section 1.3 of the Federal Communications Commission's ("FCC") Rules, enclosed for filing is an original and two (2) copies of Hargray Telephone Company's and Bluffton Telephone Company's Petition for Waiver of Section 54.301(e) of the FCC's Rules for submission of Local Switching Support true-up data.

In light of the fact that this filing is being delivered to the FCC via courier, we ask that you provide the companies with official notification that this filing has been received by stamping the copy of this filing marked "File Stamp Copy" and returning it to the courier in the envelope provided for this purpose. Thank you for your assistance with this matter. Please do not hesitate to contact me if you have questions, or if you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Trey Judy", written over a horizontal line.

Trey Judy, Director  
Hargray Telephone Company  
Bluffton Telephone Company  
843.686.1210/ trey.judy@htc.hargray.com

Enclosure

No. of Copies rec'd 041  
List ABCDE

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of )

Federal State Joint Board on Universal Service )

**HARGRAY TELEPHONE COMPANY, and** )

**BLUFFTON TELEPHONE COMPANY** )

Petition for Waiver of Section 54.301(e) Submission Date )  
For 2010 Local Switching Support True-Up Data )

To: Chief, Wireline Competition Bureau )

WC Docket No. 08-71

CC Docket No. 96-45

**FILED/ACCEPTED**

**FFR 17 2012**

Federal Communications Commission  
Office of the Secretary

**PETITION FOR WAIVER**

Hargray Telephone Company and Bluffton Telephone Company, (“Hargray/Bluffton” or “Companies”) pursuant to Section 1.3 of the Federal Communications Commission’s (“FCC” or “Commission”) Rules<sup>1</sup> request a waiver of the December 31, 2011, date established by Section 54.301(e)<sup>2</sup> of the Rules for submission of Local Switching Support (“LSS”) true-up data for the 2010 calendar year. Hargray/Bluffton failed to provide its 2010 LSS true-up data to the Universal Service Administrative Company (“USAC”) in a timely fashion, due to an inadvertent oversight on behalf of its cost consultant. As described herein, a waiver of the filing deadline is respectfully requested.

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<sup>1</sup> 47 C.F.R. §1.3

<sup>2</sup> 47 C.F.R. §54.301e) True-up adjustment--(1) Submission of true-up data. Each incumbent local exchange carrier that has been designated an eligible telecommunications carrier and that serves a study area with 50,000 or fewer access lines shall, for each study area, provide the Administrator with the historical total unseparated dollar amount assigned to each account listed in paragraph (b) of this section for each calendar year no later than 12 months after the end of such calendar year.

## **I. Background**

Hargray/Bluffton are rural Incumbent Local Exchange Carriers (“ILECs”) in South Carolina. Hargray serves two local exchanges<sup>3</sup> in rural South Carolina and Bluffton serves a single local exchange also in rural South Carolina.<sup>4</sup> As of December 2010, Hargray served 34,833 access lines in its single Study Area Code Number 240523, and Bluffton served 20,571 access lines in its single Study Area Code Number 240512.

Hargray/Bluffton are designated as Eligible Telecommunications Carriers (“ETCs”) in the state of South Carolina. Both companies have been submitting LSS true-up data and other federal High Cost Support forms and reports to USAC in a timely fashion since the companies began requesting Universal Service Fund support. Neither Hargray nor Bluffton have previously filed for a waiver of a federal universal service filing deadline, or had a federal universal service filing returned for being defective or incomplete in any way. For the reasons described below, Hargray/Bluffton did not submit the 2010 true-up data to USAC in time to comply with the requirements of Section 54.301(e), and consequently must receive grant of this instant waiver request to retain its LSS support for 2010.

Since the time that Hargray/Bluffton became eligible for LSS support, Hargray/Bluffton have relied on their cost consultant to provide their LSS true-up data to USAC and did so for the submission due December 31, 2011. Due to an inadvertent oversight of the cost consultant, this deadline for the LSS true-up data was inadvertently and unintentionally missed. The cost consultant did not become aware of the oversight until USAC contacted the consultant on February 8, 2012. The cost consultant then

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<sup>3</sup> Those exchanges are Hardeeville and Hilton Head.

<sup>4</sup> The exchange is Bluffton.

immediately notified Hargray/Bluffton. Until that time, Hargray/Bluffton was completely unaware of the fact that the 2010 LSS true-up data had never been submitted to USAC. Hargray/Bluffton immediately took steps to ensure that such an oversight never occurs again and prepared this request for waiver.

## **II. Grant of this Waiver is Consistent with the Public Interest and is Warranted**

Generally, the Commission's rules may be waived for good cause shown.<sup>5</sup> Furthermore, the Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.<sup>6</sup> In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.<sup>7</sup> In light of the circumstances discussed above, and the fact that good cause was shown in this Petition demonstrating why the rules found in Section 54.301 (e) should be waived, how failure to waive these rules would be inconsistent with the public interest, and how the financial impact of strict compliance with the rule would create undue hardships for the Companies, Hargray/Bluffton submits that the requested waiver should be granted.

Hargray/Bluffton understands that, absent the grant of this requested waiver, the companies may lose their LSS support for 2010. This outcome would result in substantial hardship for the companies. Specifically, the companies would lose their LSS support for an entire year. The loss for Hargray and Bluffton would approximate \$2,600,000 and \$311,000, respectively. The negative impact of this outcome would undeniably impair Hargray/Bluffton's ability to serve its rural customers with essential telecommunications services.

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<sup>5</sup> 47 C.F.R. § 1.3.

<sup>6</sup> Northeast Cellular Telephone co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (Northeast Cellular).

<sup>7</sup> WAIT Radio v. FCC, 418 F.2d 1153, 1159 (D.C. Cir. 1969) and Northeast Cellular, 897 F.2d at 1166.



Indeed, absent the grant of this request for a waiver, the companies would experience substantial hardship. The loss by Hargray of approximately \$2,600,000 in received LSS support for 2010 and the loss by Bluffton of approximately \$311,000 in received LSS support will be extremely onerous and disruptive, because the Companies will not have any offsetting reductions in its 2010 local switching costs.

If this waiver is not granted, Hargray/Bluffton will lose its 2010 LSS support which has already been used to provide local switching service to their rural customers. This loss cannot be made up from any other revenue source, and such a loss would most likely force Hargray/Bluffton to seek rate relief as well as curtail services or otherwise delay proposed capital expenditures. This situation creates an unnecessary burden on the Companies and their customers, particularly since the error that created this situation was caused by an inadvertent oversight by its cost consultant that the Companies relied upon to make the filing. The Companies submit that the negative impact this financial loss will have on the Companies is not in the public interest, and would be an unfair and unfortunate outcome for both the Companies and its customers if the requested waiver is denied.

Waivers where rural ILECs have missed LSS filing deadlines and which would create financial hardship for the company's rural customers have been granted in the past. In granting the waiver request filed by Northeast Iowa Telephone Company ("Northeast Iowa") in which it sought waiver of a related LSS filing requirement, Section 54.301(b) of the Commission's Rules, the Commission stated:

"We conclude that denial of all LSS to Northeast Iowa in calendar year 2008 could result in substantial hardship to Northeast Iowa's rural customers. Unlike the requirements for other types of universal service

support, (12) carriers must file data annually in order to receive LSS. (13) Therefore, if a carrier misses the annual deadline, it will not receive funding for an entire year. As such, the loss of LSS has a much greater impact on a small carrier's capacity to ensure that consumers have and maintain access to service at just, reasonable, and affordable rates than the loss of other types of universal service support. Indeed, the loss of LSS for an entire calendar year in these instances may have a significant effect on the rates that Northeast Iowa charges its customers. (14) Likewise, the loss of LSS may adversely affect Northeast Iowa's ability to continue to provide quality service to its customers. (15) For these reasons, we have previously found in other instances that waiver of section 54.301(b) of the Commission's rules would serve the public interest."<sup>8</sup>

Furthermore, the Commission has granted waivers similar to Hargray/Bluffton's request when petitioners have shown that the internal procedures have been revised to ensure future compliance with filing deadlines.<sup>9</sup> This instant waiver request affirms that this requirement has been met. Hargray/Bluffton's record of compliance with USAC reporting obligations should also factor into the FCC's assessment of this waiver request. Hargray/Bluffton has never previously missed a USAC filing deadline. The Commission found this to be a consideration in the granted waiver request of Citizens Communications and Frontier Communications.<sup>10</sup>

### **III. Request for Expedited Action**

Hargray/ Bluffton will have no choice but to take drastic measures if they are forced to refund their 2010 LSS support. These funds are needed and used by Hargray/Bluffton to support its ongoing costs and capital improvements to upgrade its

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<sup>8</sup> See *In the Matter of Petition for Waiver of Universal Service High-Cost Filing Deadlines*, Federal-State Joint Board on Universal Service, Northeast Iowa Telephone Company, Petition for Waiver Order, WC Docket No. 08-71 and CC Docket No. 96-45, Para 4, Released April 21, 2009.

<sup>9</sup> See, e.g. *USF Filing Deadline Waiver Order*, Para. 15 ("Specifically, we find that waivers are warranted because the petitioners either promptly filed the required data and have revised their internal procedures to ensure compliance with the Commission's rules or made a reasonable and good faith attempt to comply with the Commission's rules before the application deadlines.")

<sup>10</sup> *Citizens Communications and Frontier Communications Request for Review of a Decision of the Universal Service Administrator and Petition for Waiver of the FCC Rule Section 54.802(a)*, Order Released October 27, 2005.

network and to provide advanced services. The required LSS true-up data that should have been filed by December 31, 2011, was filed with USAC on February 13, 2012, and a copy of that filing is being submitted with this Petition. Attachment I to this filing is the true-up information for Hargray, and Attachment II to this filing is the true-up data for Bluffton. Expeditious grant of this waiver would allow USAC to incorporate this true-up data into its accounting processes without delay in order to determine the appropriate 2010 LSS support levels for Hargray/Bluffton. Hargray/Bluffton requests expedited action by the Commission so that USAC can be properly notified as soon as practical to ensure that future settlements will accurately reflect Hargray/Bluffton's appropriate 2010 LSS support levels.

#### **IV. Conclusion**

Hargray/Bluffton regret that the 2010 LSS true-up data for these companies was filed after the December 31, 2011 due date. As noted earlier, Hargray/ Bluffton and its cost consultant have taken steps to ensure that this will never happen again. For the reasons stated herein, Hargray/Bluffton submits that good cause has been shown to support the granting of the requested waiver as set forth in this Petition. Grant of the requested waiver will allow Hargray/Bluffton to retain the appropriate LSS support/disbursements for 2010 consistent with the statutory goal of preserving and advancing universal service for the rural customers served by the Companies.

This result will be consistent with the public interest and the general goals of universal service. Expedited action is requested to minimize the possibility that the 2010 LSS support disbursements for Hargray/Bluffton will be disturbed, and will therefore bring financial certainty to a situation that has the potential for untenable consequences

for the companies and their rural customers. With the grant of the waiver, Hargray/Bluffton will receive the LSS support that was intended under the universal service plan policies, with no adverse affects on the Companies, their customers, or any other carrier.

Respectfully Submitted,



**Trey Judy, Director-Regulatory and Carrier Relations  
Hargray Telephone Company/Bluffton Telephone  
Company**

**Hargray Telephone Company  
P.O. Box 5519  
Hilton Head Island, South Carolina 29938**

**February 17, 2012**



# **Attachment I**

## Local Switching Support

### CERTIFICATION

This certification statement must be signed by the officer or employee responsible for the overall preparation of the data submission. (Ref. Part 54 of FCC Rules, 47 C.F.R. Section 54.707).

The completed certification statement must accompany the data submission.

### CERTIFICATION

I am Director—Regulatory and Carrier Relations. I hereby certify that I have overall responsibility for  
(Title of Certifying Officer or Employee)  
the preparation of all data in the attached 2010 Local Switching Support True-Up, data  
(Title of Data Submission)  
submission for Hargray Telephone Company, and that I am authorized to execute this  
(Name of Carrier)  
certification. Based on information known to me or provided to me by employees responsible for the  
preparation of the data in this submission, I hereby certify that the data have been examined and reviewed  
and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

Date:

2-13-12

Certifying Signature:



Name:

Trey Judy

Title:

Director—Regulatory and Carrier Relations

Period Covered:

January 1, 2010 to December 31, 2010

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, as amended 47 U.S.C §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

**LOCAL SWITCHING SUPPORT  
DATA COLLECTION FORM  
COST COMPANY**

Approved by OMB  
3060-0814  
Ave. Burden Estimate per Respondent: 24 Hours

(010)	Exchange Carrier Study Area Code	(010)	<u>240523</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Hargray Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection	<input type="checkbox"/> True-up to Actual <input checked="" type="checkbox"/>

(030)	Contact Name: Person USAC should contact for questions about this data	(030)	<u>Graham Hawkes</u>
(040)	Contact Telephone Number: Number of the person identified in Data Line (030)	(040)	<u>301-459-7590</u>
(045)	Tax Status (Y = Taxable, N = NonTaxable)	(045)	<u>Y</u>

**II. WORKING LOOPS & DIAL EQUIPMENT MINUTE FACTOR**

(050)	Category 1.3 Loops: Enter the count of Category 1.3 Loops excluding Category 1.3 TWX (Teletypewriter Exchange service) loop	(050)	<u>35,827</u>
(060)	1996 Interstate Unweighted Dial Equipment Minute (DEM) Factor used in 1996 Cost Study (n.nnnnnn)	(060)	<u>0.426768</u>
(070)	1996 DEM Weighting Factor (n.n)	(070)	<u>2.0</u>

**III. INVESTMENT, PLANT OPERATIONS EXPENSE AND TAXES**

		<u>Total Account</u>	<u>Local Switching</u>
(100)	Account 2001 - Telecommunication Plant in Service	<u>181,626,089</u>	
(110)	Account 2210 - Central Office Switching Equipment	<u>25,683,586</u>	
(115)	Account 2210 Cat. 3 - COE Category 3 (local switching)	<u>23,410,955</u>	<u>23,410,955</u>
(120)	Account 2220 - Operator System Equipment	<u>0</u>	
(130)	Account 2230 - Central Office Transmission Equipment	<u>36,139,079</u>	
(140)	Total Central Office Equipment [Sum of Data Lines (110) + (120) + (130)]	<u>61,822,665</u>	
(150)	Account 2310 - Information Origination/Termination	<u>405,445</u>	
(160)	Account 2410 - Cable and Wire Facilities	<u>98,005,172</u>	
(170)	Account 2110 - General Support Facilities	<u>21,316,172</u>	<u>3,114,399</u>
(180)	Account 2680 - Amortizable Tangible Asset	<u>76,636</u>	<u>11,197</u>
(190)	Account 2690 - Intangibles	<u>0</u>	<u>0</u>
(200)	Account 2002 - Property Held for Future Telecommunications Use	<u>0</u>	<u>0</u>
(210)	Account 2003 - Telecommunications Plant Under Construction	<u>1,605,526</u>	<u>206,946</u>
(220)	Account 2005 - Telecommunications Plant Adjustment	<u>(0)</u>	<u>(0)</u>
(230)	Account 1402 - Investments in non-Affiliated Companies (Rural Telephone Bank Stock)	<u>0</u>	<u>0</u>
(240)	Account 1220 - Materials and Supplies	<u>541,879</u>	<u>69,846</u>
(250)	Cash Working Capital	<u>1,236,571</u>	<u>159,389</u>
(260)	Account 3100 - Accumulated Depreciation-Switching	<u>22,980,741</u>	<u>20,947,267</u>
(265)	Account 3100 - Accumulated Depreciation-Support Asset	<u>15,843,936</u>	<u>2,042,220</u>
(270)	Account 4100 - Net Deferred Operating Income Tax	<u>0</u>	<u>0</u>

**LOCAL SWITCHING SUPPORT  
DATA COLLECTION FORM  
COST COMPANY**

**Approved by OMB  
3060-0814  
Ave. Burden Estimate per Respondent: 24 Hours**

(010)	Exchange Carrier Study Area Cod	(010)	<u>240523</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Hargray Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection <input type="checkbox"/>	True-up to Actual <input checked="" type="checkbox"/>

(280)	Account 4340 - Net Noncurrent Operating Income Tax	(280)	<u>(4,050,300)</u>	<u>(522,067)</u>
(290)	Account 3400 - Accumulated Amortization - Tangible	(290)	<u>18,049</u>	<u>2,326</u>
(300)	Account 3500 - Accumulated Amortization - Intangible	(300)	<u>0</u>	<u>0</u>
(310)	Account 3600 - Accumulated Amortization - Other	(310)	<u>0</u>	<u>0</u>
(320)	Account 6110 - Network Support Expenses	(320)	<u>64,252</u>	<u>8,282</u>
(330)	Account 6120 - General Support Expenses	(330)	<u>3,941,150</u>	<u>575,822</u>
(340)	Account 6210 - Central Office Switching Expenses	(340)	<u>1,913,090</u>	<u>724,447</u>
(350)	Account 6220 - Operator Systems Expenses	(350)	<u>0</u>	<u>0</u>
(360)	Account 6230 - Central Office Transmission Expenses	(360)	<u>1,199,573</u>	<u>454,253</u>
(361)	Account 6310 - Information Origination/Termination Expenses	(361)	<u>0</u>	
(362)	Account 6410 - Cable and Wire Facilities Expenses	(362)	<u>1,351,314</u>	
(370)	Account 6510 - Other Property Plant and Equipment Expenses	(370)	<u>107,111</u>	<u>13,806</u>
(380)	Account 6530 - Network Operations Expenses	(380)	<u>6,786,594</u>	<u>874,765</u>
(381)	Account 6540 - Access Expense	(381)	<u>1,481,842</u>	
(390)	Account 6610 - Customer Services Marketing Expenses	(390)	<u>1,856,328</u>	<u>239,273</u>
(400)	Account 6620 - Customer Operations Services Expenses	(400)	<u>2,236,265</u>	<u>288,246</u>
(410)	Account 6710 - Executive and Planning Expenses	(410)	<u>302,038</u>	<u>50,808</u>
(420)	Account 6720 - Corporate Operations Expenses	(420)	<u>8,235,932</u>	<u>1,385,424</u>
(430)	Account 7230 - Operating State and Local Income Taxes	(430)	<u>22,346</u>	<u>2,880</u>
(440)	Account 7240 - Operating Other Taxes	(440)	<u>447,632</u>	<u>57,698</u>
(450)	Account 7210 - Operating Investment Tax Credits - net	(450)	<u>0</u>	<u>0</u>
(460)	Account 7250 - Provision for Deferred Operating Income Taxes - net	(460)	<u>775,813</u>	<u>99,999</u>
(470)	Account 6560 - Depreciation and Amortization Expense-Switching	(470)	<u>730,599</u>	<u>665,951</u>
(475)	Account 6560 - Depreciation and Amortization Expense-Support	(475)	<u>720,191</u>	<u>92,830</u>
(480)	Account 7370 - Charitable Contributions only	(480)	<u>0</u>	<u>0</u>
(490)	Account 7500 - Per Study Fixed Charges & Interest on Customer Debt	(490)	<u>0</u>	<u>0</u>
(500)	Account 7340 - Allowance for Funds Used During Construction	(500)	<u>0</u>	<u>0</u>
(510)	Account 1410 - Other Non-current Assets	(510)	<u>0</u>	<u>0</u>
(520)	Account 1500 - Other Jurisdictional Assets - net	(520)	<u>0</u>	<u>0</u>



**LOCAL SWITCHING SUPPORT  
DATA COLLECTION FORM  
COST COMPANY**

Approved by OMB  
3060-0814

Ave. Burden Estimate per Respondent: 24 Hours

(010)	Exchange Carrier Study Area Code	(010)	<u>240523</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Hargray Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection	<input type="checkbox"/> True-up to Actual <input checked="" type="checkbox"/>

(530)	Account 4370 - Other Jurisdictional Liabilities and Deferred Credits - net	(530)	<u>0</u>	<u>0</u>
(540)	Account 4040 - Customer Deposits	(540)	<u>0</u>	<u>0</u>
(550)	Account 4310 - Other Long-Term Liabilities	(550)	<u>0</u>	<u>0</u>
(560)	Account 1438 - Deferred Maintenance and Retirement	(560)	<u>0</u>	<u>0</u>

A Factor	((COE Category 3)/((COE+CWF+IOT)))	<u>0.146105</u>
B Factor	(COE Category 3/Total Plant In Service)	<u>0.128896</u>
C Factor	(COE Category 3/Total COE)	<u>0.378679</u>
D Factor	(COE 3 Expense/Big 3 Expense)	<u>0.168217</u>
E Factor	(COE 3/COE Switching)	<u>0.911514</u>

<b>Current Period Net Investment</b>	<u>\$4,502,986</u>
<b>Prior Period Net Investment</b>	<u>\$4,735,546</u>
<b>Average Net Investment</b>	<u>\$4,619,266</u>
<b>Return on Investment</b>	<u>\$519,667</u>
<b>Federal Taxable Income</b>	<u>\$519,667</u>
<b>Federal Income Tax Requirement</b>	<u>\$279,821</u>
<b>Expenses and Other Taxes</b>	<u>\$5,434,484</u>
<b>Local Switching Revenue Requirement</b>	<u>\$6,233,972</u>
<b>Local Switching Support</b>	<u><b>\$2,638,417</b></u>

## **Attachment II**

## Local Switching Support

### CERTIFICATION

This certification statement must be signed by the officer or employee responsible for the overall preparation of the data submission. (Ref. Part 54 of FCC Rules, 47 C.F.R. Section 54.707).

The completed certification statement must accompany the data submission.

### CERTIFICATION

I am Director—Regulatory and Carrier Relations. I hereby certify that I have overall responsibility for  
(Title of Certifying Officer or Employee)  
the preparation of all data in the attached 2010 Local Switching Support True-Up, data  
(Title of Data Submission)  
submission for Bluffton Telephone Company, and that I am authorized to execute this  
(Name of Carrier)  
certification. Based on information known to me or provided to me by employees responsible for the  
preparation of the data in this submission, I hereby certify that the data have been examined and reviewed  
and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

Date:

2-7-12

Certifying Signature:



Name:

Trey Judy

Title:

Director—Regulatory and Carrier Relations

Period Covered:

January 1, 2010 to December 31, 2010

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, as amended 47 U.S.C §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

**LOCAL SWITCHING SUPPORT  
DATA COLLECTION FORM  
COST COMPANY**

**Approved by OMB  
3060-0814**

**Ave. Burden Estimate per Respondent: 24 Hours**

(010)	Exchange Carrier Study Area Code	(010)	<u>240512</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Bluffton Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection <input type="checkbox"/>	True-up to Actual <input checked="" type="checkbox"/>

(030)	Contact Name: Person USAC should contact for questions about this data:	(030)	<u>Graham Hawkes</u>
(040)	Contact Telephone Number: Number of the person identified in Data Line (030)	(040)	<u>301-459-7590</u>
(045)	Tax Status (Y = Taxable, N = NonTaxable)	(045)	<u>Y</u>

**II. WORKING LOOPS & DIAL EQUIPMENT MINUTE FACTOR**

(050)	Category 1.3 Loops: Enter the count of Category 1.3 Loops excluding Category 1.3 TWX (Teletypewriter Exchange service) loop	(050)	<u>21,067</u>
(060)	1996 Interstate Unweighted Dial Equipment Minute (DEM) Factor used in 1996 Cost Study (n.nnnnnn)	(060)	<u>0.352532</u>
(070)	1996 DEM Weighting Factor (n.n)	(070)	<u>2.0</u>

**III. INVESTMENT, PLANT OPERATIONS EXPENSE AND TAXES**

	<u>Total Account</u>	<u>Local Switching</u>
(100) Account 2001 - Telecommunication Plant in Service	(100) <u>84,794,798</u>	
(110) Account 2210 - Central Office Switching Equipment	(110) <u>4,432,594</u>	
(115) Account 2210 Cat. 3 - COE Category 3 (local switching)	(115) <u>4,432,517</u>	<u>4,432,517</u>
(120) Account 2220 - Operator System Equipment	(120) <u>0</u>	
(130) Account 2230 - Central Office Transmission Equipment	(130) <u>24,068,313</u>	
(140) Total Central Office Equipment [Sum of Data Lines (110) + (120) + (130)]	(140) <u>28,500,908</u>	
(150) Account 2310 - Information Origination/Termination	(150) <u>0</u>	
(160) Account 2410 - Cable and Wire Facilities	(160) <u>51,176,301</u>	
(170) Account 2110 - General Support Facilities	(170) <u>5,117,589</u>	<u>284,697</u>
(180) Account 2680 - Amortizable Tangible Asset	(180) <u>0</u>	<u>0</u>
(190) Account 2690 - Intangibles	(190) <u>0</u>	<u>0</u>
(200) Account 2002 - Property Held for Future Telecommunications Use	(200) <u>0</u>	<u>0</u>
(210) Account 2003 - Telecommunications Plant Under Construction	(210) <u>930,268</u>	<u>48,628</u>
(220) Account 2005 - Telecommunications Plant Adjustment	(220) <u>0</u>	<u>0</u>
(230) Account 1402 - Investments in non-Affiliated Companies (Rural Telephone Bank Stock)	(230) <u>0</u>	<u>0</u>
(240) Account 1220 - Materials and Supplies	(240) <u>914,964</u>	<u>47,828</u>
(250) Cash Working Capital	(250) <u>687,906</u>	<u>35,959</u>
(260) Account 3100 - Accumulated Depreciation-Switching	(260) <u>4,027,120</u>	<u>4,027,052</u>
(265) Account 3100 - Accumulated Depreciation-Support Asset	(265) <u>3,242,816</u>	<u>169,512</u>
(270) Account 4100 - Net Deferred Operating Income Tax	(270) <u>0</u>	<u>0</u>



**LOCAL SWITCHING SUPPORT  
DATA COLLECTION FORM  
COST COMPANY**

**Approved by OMB  
3060-0814**

**Ave. Burden Estimate per Respondent: 24 Hours**

(010)	Exchange Carrier Study Area Cod	(010)	<u>240512</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Bluffton Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection <input type="checkbox"/>	True-up to Actual <input checked="" type="checkbox"/>

(280)	Account 4340 - Net Noncurrent Operating Income Tax	(280)	<u>6,776,645</u>	<u>354,236</u>
(290)	Account 3400 - Accumulated Amortization - Tangible	(290)	<u>0</u>	<u>0</u>
(300)	Account 3500 - Accumulated Amortization - Intangible	(300)	<u>134,672</u>	<u>7,040</u>
(310)	Account 3600 - Accumulated Amortization - Other	(310)	<u>0</u>	<u>0</u>
(320)	Account 6110 - Network Support Expenses	(320)	<u>13,709</u>	<u>717</u>
(330)	Account 6120 - General Support Expenses	(330)	<u>623,851</u>	<u>34,705</u>
(340)	Account 6210 - Central Office Switching Expenses	(340)	<u>255,587</u>	<u>39,749</u>
(350)	Account 6220 - Operator Systems Expenses	(350)	<u>0</u>	<u>0</u>
(360)	Account 6230 - Central Office Transmission Expenses	(360)	<u>755,154</u>	<u>117,443</u>
(361)	Account 6310 - Information Origination/Termination Expenses	(361)	<u>0</u>	
(362)	Account 6410 - Cable and Wire Facilities Expenses	(362)	<u>2,223,761</u>	
(370)	Account 6510 - Other Property Plant and Equipment Expenses	(370)	<u>231,000</u>	<u>12,075</u>
(380)	Account 6530 - Network Operations Expenses	(380)	<u>3,372,527</u>	<u>176,292</u>
(381)	Account 6540 - Access Expense	(381)	<u>894,928</u>	
(390)	Account 6610 - Customer Services Marketing Expenses	(390)	<u>765,444</u>	<u>40,012</u>
(400)	Account 6620 - Customer Operations Services Expenses	(400)	<u>719,135</u>	<u>37,591</u>
(410)	Account 6710 - Executive and Planning Expenses	(410)	<u>0</u>	<u>0</u>
(420)	Account 6720 - Corporate Operations Expenses	(420)	<u>3,371,035</u>	<u>171,262</u>
(430)	Account 7230 - Operating State and Local Income Tax	(430)	<u>409,708</u>	<u>21,417</u>
(440)	Account 7240 - Operating Other Taxes	(440)	<u>448,993</u>	<u>23,470</u>
(450)	Account 7210 - Operating Investment Tax Credits - net	(450)	<u>0</u>	<u>0</u>
(460)	Account 7250 - Provision for Deferred Operating Income Taxes - net	(460)	<u>375,314</u>	<u>19,619</u>
(470)	Account 6560 - Depreciation and Amortization Expense-Switching	(470)	<u>127,603</u>	<u>127,601</u>
(475)	Account 6560 - Depreciation and Amortization Expense-Support	(475)	<u>328,362</u>	<u>17,164</u>
(480)	Account 7370 - Charitable Contributions only	(480)	<u>0</u>	<u>0</u>
(490)	Account 7500 - Per Study Fixed Charges & Interest on Customer Debt	(490)	<u>7,449</u>	<u>389</u>
(500)	Account 7340 - Allowance for Funds Used During Construction	(500)	<u>0</u>	<u>0</u>
(510)	Account 1410 - Other Non-current Assets	(510)	<u>0</u>	<u>0</u>
(520)	Account 1500 - Other Jurisdictional Assets - net	(520)	<u>0</u>	<u>0</u>

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Ave. Burden Estimate per Respondent: 24 Hours**

(010)	Exchange Carrier Study Area Code	(010)	<u>240512</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>Bluffton Telephone Company</u>
(023)	Data Period	(023)	<u>12/31/10</u>
(025)	Submission Period (Check One)	Original Projection <input type="checkbox"/>	True-up to Actual <input checked="" type="checkbox"/>

(530)	Account 4370 - Other Jurisdictional Liabilities and Deferred Credits - net	(530)	<u>0</u>	<u>0</u>
(540)	Account 4040 - Customer Deposits	(540)	<u>0</u>	<u>0</u>
(550)	Account 4310 - Other Long-Term Liabilities	(550)	<u>0</u>	<u>0</u>
(560)	Account 1438 - Deferred Maintenance and Retirement	(560)	<u>0</u>	<u>0</u>

A Factor	((COE Category 3)/((COE+CWF+IOT)))	<u>0.055631</u>
B Factor	(COE Category 3/Total Plant In Service)	<u>0.052273</u>
C Factor	(COE Category 3/Total COE)	<u>0.155522</u>
D Factor	(COE 3 Expense/Big 3 Expense)	<u>0.050804</u>
E Factor	(COE 3/COE Switching)	<u>0.999983</u>

<b>Current Period Net Investment</b>	<u>\$291,789</u>
<b>Prior Period Net Investment</b>	<u>\$428,584</u>
<b>Average Net Investment</b>	<u>\$360,187</u>
<b>Return on Investment</b>	<u>\$40,521</u>
<b>Federal Taxable Income</b>	<u>\$40,132</u>
<b>Federal Income Tax Requirement</b>	<u>\$21,609</u>
<b>Expenses and Other Taxes</b>	<u>\$819,499</u>
<b>Local Switching Revenue Requirement</b>	<u>\$881,629</u>
<b>Local Switching Support</b>	<b><u>\$310,803</u></b>